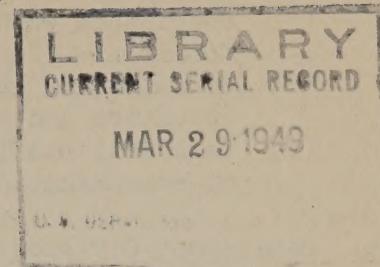


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
Washington 25, D. C.



Administrative Memorandum

SUBJECT: Responsibilities for Execution of Policy with Reference to Borrowers' Communication Facilities

1. Responsibilities for activities with respect to execution of policy concerning borrowers' communication facilities shall be as follows:

- a. Applications and Loans Division: The Applications and Loans Division shall be responsible for:
  - (1) Recommendations to the Administrator for loans for two-way communication facilities based on borrowers' proposals approved by the Management Division (for distribution type borrowers) or the Power Division (for power type borrowers).
- b. Engineering Division: The Engineering Division shall be responsible for:
  - (1) Guidance and assistance to borrowers in engineering appraisal of the types and costs of possible communication systems to meet borrowers' particular requirements.
  - (2) Estimating loan requirements for two-way communication facilities and applying this information to the Management Division.
  - (3) Approval of all suppliers' proposals as to technical adequacy and costs for installations of specific two-way communication facilities after the borrower's proposal for two-way communication facilities has been approved by the Management Division.
  - (4) Assistance to the Management Division in the analysis of rental proposals and their comparison with purchased equipment to give equivalent service.
  - (5) Reviewing plant procurement orders as to agreement with approved proposals and recommending approval to Management Division.
  - (6) Guidance and assistance to borrowers on the physical installation of communication facilities, including selection, purchase or lease of real estate for equipment sites.

- (7) Guidance and assistance to borrowers in applying for necessary licenses for equipment and personnel, and other compliance with regulations of the Federal Communications Commission.
- (8) Guidance and assistance to borrowers in the technical operation and maintenance of communication facilities.
- (9) Technical staff assistance to the Power Division on problems of communication facilities for power type borrowers.

c. Management Division: For distribution type borrowers, the Management Division shall be responsible for:

- (1) Approval of all borrowers' proposals with agreement of the Engineering Division as to technical adequacy and costs, and after consultation with the Applications and Loans Division and the Office of the Solicitor, for the installation of two-way communication facilities after giving consideration to overall plans, costs and method of financing in relation to the borrower's needs and financial status.
- (2) Advising the Applications and Loans Division with regard to the amount of loan funds required for an adequate two-way communication system on the basis of the recommendations of the Engineering Division.
- (3) Reviewing rental proposals and on the basis of equivalent installation costs supplied by the Engineering Division, deciding whether it would be desirable to recommend to borrowers rental or purchase of equipment.
- (4) Recommendations to the Administrator authorizing borrowers to use general funds, or general funds in anticipation of loan funds, for financing two-way communication facilities.
- (5) Guidance and assistance to borrowers in the effective utilization of communication facilities.
- (6) Approval of borrowers' plant procurement orders for two-way communication facilities, after review and approval by Engineering Division.
- (7) Advice to borrowers relative to insurance coverage necessary for the installation and operation of two-way communication equipment.

d. Power Division: For power type borrowers, the Power Division shall be responsible for the pertinent activities assigned to the Engineering and Management Divisions as outlined in (b) and (c) above.

e. Technical Standards Division: The Technical Standards Division shall be responsible for:

- (1) Investigation of new developments in two-way communication equipment relative to its application to rural electrification, and stimulation of the development of communication equipment to meet the specific needs of the rural electrification program.

- (2) Preparation of general plans and specifications and lists of types of equipment for submission to the Technical Standards Committees for acceptance.
  - (3) Consulting service, upon request, to the Engineering and Power Divisions on special or unusual communication problems.
- f. Finance Division: The Finance Division shall be responsible for:
- (1) Verifications of accuracy of documents essential to advance of funds.
  - (2) Review and certification of requisitions and advance of funds.
  - (3) Establishment of accounting procedure for guidance of borrowers and auditing of borrowers' records.
2. This Memorandum supersedes all other existing instructions in conflict with its provisions.

*Claude R Wickard*

Administrator

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